

# HOUSE BILL No. 1589

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-21.

**Synopsis:** Health insurance premium deduction. Provides a deduction from adjusted gross income for amounts an individual spends during the taxable year on certain health insurance premiums for coverage of the individual, the individual's spouse, or a dependent. Excludes expenditures for a long term care policy, Medicare, a Medicare supplement policy, a group health insurance policy offered through an employer, or a policy provided by the Indiana comprehensive health insurance association.

**Effective:** January 1, 2007 (retroactive).

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January 23, 2007, read first time and referred to Committee on Insurance.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## HOUSE BILL No. 1589

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 21. (a) As used in this**  
4 **section, "dependent" means:**

5 (1) a dependent as defined in Section 152 of the Internal  
6 Revenue Code; or

7 (2) a person whom an individual has a legal obligation to  
8 support, regardless of the percentage of the person's support  
9 the individual provides.

10 (b) As used in this section, "health insurance" means insurance  
11 as described in Section 213(d)(1)(D) of the Internal Revenue Code,  
12 except that the term does not include the following:

13 (1) A qualified long term care policy (as defined in  
14 IC 12-15-39.6-5).

15 (2) Medicare (Title XVIII of the Social Security Act (42 U.S.C.  
16 1395 et seq.)).

17 (3) A Medicare supplement policy (as defined in

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1        **IC 27-8-13-3).**

2        **(4) A policy issued under IC 27-8-10 by the Indiana**  
 3        **comprehensive health insurance association.**

4        **(5) Group health insurance offered through an employer.**

5        **(c) Subject to subsection (d), an individual is entitled to a**  
 6        **deduction from adjusted gross income in each taxable year for**  
 7        **amounts spent by the individual during the taxable year on health**  
 8        **insurance for the individual, the individual's spouse, or a**  
 9        **dependent of the individual. The deduction provided by this**  
 10       **subsection is allowable regardless of whether the health insurance**  
 11       **is obtained on an individual basis or, except as provided in**  
 12       **subsection (b)(5), on a group basis.**

13       **(d) The deduction provided under this section is allowable only**  
 14       **to the extent that the amounts spent by the individual on health**  
 15       **insurance as described in subsection (c) have not otherwise been:**

16       **(1) excluded from the computation of federal gross income as**  
 17       **defined in Section 61 of the Internal Revenue Code; or**

18       **(2) deducted in the computation of federal adjusted gross**  
 19       **income under Section 62 of the Internal Revenue Code.**

20       **SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]**  
 21       **IC 6-3-2-21, as added by this act, applies to taxable years beginning**  
 22       **after December 31, 2006.**

23       **SECTION 3. An emergency is declared for this act.**

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